

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3262-01
Bill No.: HB 1512
Subject: Education, Elementary and Secondary: Teachers
Type: Original
Date: February 15, 2002

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|---|--------------------|----------------------|----------------------|
| FUND AFFECTED | FY 2003 | FY 2004 | FY 2005 |
| General Revenue | (\$562,500) | (\$2,072,500) | (\$1,810,000) |
| National Teacher Certification Incentive Reward Program | \$0 | \$0 | \$0 |
| Total Estimated Net Effect on <u>All</u> State Funds | (\$562,500) | (\$2,072,500) | (\$1,810,000) |

- SUBJECT TO APPROPRIATION -

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2003 | FY 2004 | FY 2005 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2003 | FY 2004 | FY 2005 |
| Net Effect On School Districts | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer** assumed this proposal would result in no fiscal impact to the agency.

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as approximately 12 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual costs could be more or less the SOS's estimated cost of \$738 for FY 2003. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education (DESE)** noted that there are 75 National Board Certified teachers in Missouri. They assume that teachers who were Board certified in 2002 would be the first teachers eligible to receive bonuses and that once teachers become aware of the incentive, the number seeking certification will greatly increase.

FY 2003:

| | |
|--|------------------|
| 75 teachers x \$5,000 (first year certification bonus) = | \$375,000 |
| 75 teachers x \$2,500 (subsequent year bonus) = | <u>\$187,500</u> |
| Total | \$562,500 |

FY 2004:

| | |
|---|-------------------|
| 377 teachers x \$5,000 (first year certification bonus) = | \$1,885,000 |
| 75 teachers x \$2,500 (subsequent year bonus) = | <u>\$ 187,500</u> |
| Total | \$2,072,500 |

FY 2005:

| | |
|---|--------------------|
| 136 teachers x \$5,000 (first year certification bonus) = | \$ 680,000 |
| 452 teachers x \$2,500 (subsequent year bonus) = | <u>\$1,130,000</u> |
| Total | \$1,810,000 |

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2003 (10 Mo.) | FY 2004 | FY 2005 |
|---|---------------------|---------|---------|

GENERAL REVENUE FUND

| | | | |
|---|--------------------|----------------------|----------------------|
| <u>Cost</u> - Transfers to National Teacher Certification Incentive Reward Program Fund | <u>(\$562,500)</u> | <u>(\$2,072,500)</u> | <u>(\$1,810,000)</u> |
|---|--------------------|----------------------|----------------------|

**NATIONAL TEACHER
 CERTIFICATION INCENTIVE
 REWARD PROGRAM FUND**

| | | | |
|---|--------------------|----------------------|----------------------|
| <u>Income</u> - Transfers from General Revenue Fund | \$562,500 | \$2,072,500 | \$1,810,000 |
| <u>Cost</u> - Distributions to School Districts | <u>(\$562,500)</u> | <u>(\$2,072,500)</u> | <u>(\$1,810,000)</u> |

| | | | |
|--|-------------------|-------------------|-------------------|
| ESTIMATED NET EFFECT ON NATIONAL TEACHER CERTIFICATION INCENTIVE REWARD PROGRAM FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|--|-------------------|-------------------|-------------------|

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2003 (10 Mo.) | FY 2004 | FY 2005 |
|---|---------------------|---------|---------|

SCHOOL DISTRICTS

| | | | |
|-------------------------------|--------------------|----------------------|----------------------|
| <u>Income</u> - State Aid | \$562,500 | \$2,072,500 | \$1,810,000 |
| <u>Cost</u> - Teacher Bonuses | <u>(\$562,500)</u> | <u>(\$2,072,500)</u> | <u>(\$1,810,000)</u> |

| | | | |
|--|-------------------|-------------------|-------------------|
| ESTIMATED NET EFFECT ON SCHOOL DISTRICTS | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|--|-------------------|-------------------|-------------------|

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

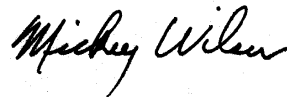
DESCRIPTION

This proposed legislation creates an incentive program to encourage teachers to achieve national board certification. Teachers who have been certified by the National Board for Professional Teaching Standards may apply for a bonus by sending a copy of their national certification to the Department of Elementary and Secondary Education. The initial bonus for the first year after certification is \$5,000; subsequent bonuses will be \$2,500 for the life of the national certificate. Provisions detailing the administration of the funds are included, and the department is given authority to promulgate rules to implement the program.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of Secretary of State
Office of State Treasurer



Mickey Wilson, CPA
Acting Director
February 15, 2002